

CWUSA SEEKS SPECIFIC SECTION 214 AUTHORITY TO PROVIDE ISR SERVICES ON THE JAMAICA AND ST. KITTS AND NEVIS ROUTE

The Commission's Rules automatically expand the Section 214 authority of carriers authorized to resell or own interconnected private lines to include an additional country at the time the Commission determines that the country satisfies the Commission's requirements for providing switched services over private lines, except when the Commission has not determined that the U.S. carrier's foreign carrier affiliate lacks sufficient market power to affect competition adversely in the U.S. market. In such a case, the U.S. carrier must seek specific Section 214 authority to provide ISR services to that country pursuant to Section 63.18(e)(4) of the Commission's Rules.¹ Section 63.18(e)(4) requires the applicant provide a description of the facilities and services for which it seeks authorization as well as any additional information the Commission shall have specified previously in an order, public notice or other official action as necessary for the authorization.²

On April 26, 2001, Concert Global Network Services Limited ("Concert") was granted ISR authority between the United States and St. Kitts and Nevis³, and on December 20, 2001, Sprint Communications Company L.P. ("Sprint") was granted ISR authority between the United States and Jamaica⁴ in accordance with the provisions of Section 63.16(d) of the Commission's Rules.⁵ The Commission found that U.S. carriers'

¹ Id. at § 63.18(e)(4).

² Id. at § 63.18(e)(4).

³ File No. ISP-PDR-20010323-00012.

⁴ File No. ISP-PDR-20011106-00044.

⁵ 47 C.F.R. § 63.16(d).

settlement rates for more than fifty percent of U.S.-billed traffic for each of these countries were at or below the Commission's benchmark settlement rate. Further, the Commission concluded that the public interest in cost-based telecommunications services would be served by permitting the above-referenced applicants, and other authorized private line carriers, to interconnect their private lines between the United States and these WTO member countries for the provision of switched, basic services.

Given that the Commission has already approved ISR on the Jamaica and St. Kitts and Nevis routes, CWUSA seeks authority to provide ISR services on these routes in order to remain competitive with other U.S. carriers. This authorization will permit CWUSA to route traffic between the United States and Jamaica and St. Kitts and Nevis outside the traditional settlements system, enabling CWUSA to offer international services at reduced rates. Moreover, this activity will exert increased pressure to lower settlement rates further and reduce prices to U.S. consumers.

Further, CWUSA respectfully requests that ISR authority be provided on the Jamaica and St. Kitts and Nevis route without undue delay since its affiliations and market power in Jamaica and St. Kitts and Nevis do not present any new issues for the Commission to determine. Since the Jamaica and St. Kitts and Nevis route meets the Commission's benchmark settlement rate condition for ISR authority to WTO member countries⁶ and CWUSA has agreed to be subject to the Commission's dominant carrier

⁶ Under the Commission's Rules, the provision of service via ISR to a specific country is subject to the condition that the settlement rate for at least 50 percent of the settled U.S.-billed traffic between the United States and said country is at or below the benchmark settlement rate adopted in the Benchmarks Order or that said country affords U.S. carriers equivalent opportunities for ISR. The settlement rate option has been met.

regulations on these routes, no issues exist that would bar granting CWUSA authorization to provide ISR services on the Jamaica and St. Kitts and Nevis route.